

2020 UDAF FLEET AUDIT



12/15/2020

A report on the UDAF fleet of vehicles' overall functioning and recommendations to increase utilization and avoid unnecessary costs.

UDAF Fleet Audit

OVERALL HEALTH OF THE UDAF FLEET

Utah Department of Agriculture and Food (UDAF) reached out to the Division of Fleet Operations (DFO) for help with some of their vehicles experiencing low battery issues. The cause of these battery issues was due to the vehicles were not being driven enough to keep an acceptable charge on the vehicle's battery. These battery issues are not just a UDAF problem, as other State of Utah departments have the same issue ever since the COVID lockdowns started. It is recommended that if a vehicle is not being used, it should be turned back into DFO to be repurposed elsewhere in the State Fleet.

Based on this finding, there may be a utilization issue within Agriculture. DFO felt it would be best to analyze UDAF's fleet to see if any improvements could be made. The following headings are the topics that DFO chose to review with UDAF's management.

• Vehicle Utilization

DFO conducts yearly utilization reviews with the State's Departments to ensure vehicles are being utilized and to identify vehicles that are not. Traditionally, DFO would use the mileage traveled each year to determine vehicle utilization. Using mileage alone is not indicative of a vehicle's true utilization. Proper utilization should include not only mileage but also the number of hours and days driven.

DFO obtains the number of hours and days driven through onboard GPS monitors. Fortunately, UDAF is taking part in the DFO GPS pilot program. Each vehicle within the UDAF fleet is equipped with a GPS unit. What this has done for DFO and UDAF is that we now have all the data needed to perform and true and successful utilization audit.

Utilization recommendations

1. UDAF assigns most of its vehicles to individual drivers. This is not a common practice within government fleets. In cases where this practice is allowed, the result leads to the underutilization of vehicles. This can also lead to improper use of the vehicle as the driver feels entitled to use the vehicle for personal errands. It is recommended that UDAF assign vehicles to drivers that need a specialized vehicle equipped with ancillary devices needed to accomplish a specific job. For example, police vehicles, trucks with cranes, boom trucks, trucks with utility beds, etc. All other vehicles that are not upfitted with permanent equipment should be used in a motorpool where multiple drivers can use the same vehicle. DFO identified 34 vehicles that could potentially be used in motorpool(s) or used in place of expanding the UDAF fleet.
2. DFO will help UDAF build and instruct them on managing their motorpools wherever they see fit.
3. When UDAF transfers its headquarters to the Taylorsville State Office Building (TSOB), DFO is offering to take over any vehicles UDAF does not want to manage and to use those

vehicles in a DFO run TSOB motorpool. This motor pool will support all State of Utah departments that reside in and around the TSOB. This will allow UDAF to use vehicles as needed and not pay for them to sit, increasing the utilization to near 100%.

4. **Before a new vehicle is requested of the Legislature, UDAF should look at the current batch of underutilized vehicles to see if they would meet their needs.**

• Private Vehicle Use Reimbursement (POV)

Most State departments will allow private vehicle use reimbursement (POV) on occasion. The standard for authorizing POV is when there is not a State of Utah vehicle available for the employee to use or, in the judgment of management, there is an efficiency in allowing the employee to use their vehicle for official State of Utah business. There are two POV rates of reimbursement. The lower rate of reimbursement is used when a State of Utah vehicle is available for use, but management feels that the use of the employee's vehicle is justified. The higher POV reimbursement rate is used when a State of Utah vehicle is not available to the employee, and management approves the employee to use their personal vehicle for business purposes. Management will need to closely monitor POV as employees can take advantage of the program and begin to profit if left unchecked.

***It is important to remember that your employee's vehicle insurance may not cover accidents involved in the employee's vehicle while on business. Risk Management does not insure the employee's vehicle at any time and, therefore, will not be fiscally liable for any accidents that may happen.*

POV recommendations

1. Make sure POV is approved at the correct reimbursement rate.
2. Make employees aware that Risk Management does not insure their vehicles.
3. DFO recommends distributing GEOTAB GPS units for use in the employee's vehicles for accurate and verifiable mileage recordings.

• Personal Use of State Vehicles

DFO saw no evidence of personal use of State vehicles. To help with questions asked of UDAF management regarding personal use, we have included the rules regarding the personal use of State vehicles.

R27-3-5. Personal Use Standards.

- (1) Personal use of state vehicles is not allowed without the direct authorization of the Legislature.
- (2) An employee or representative of the state spending at least one night on approved travel to conduct state business may use a state vehicle in the general vicinity of the overnight lodging for the following approved activities:
 - (a) Travel to and from restaurants and stores for meals, breaks, and personal needs;
 - (b) Travel to and from grooming, medical, fitness, or laundry facilities; and

- (c) Travel to and from recreational activities, such as to theaters, parks, or to the home of friends or relatives, provided the employee or representative has received prior approval for such travel from his or her supervisor.
- (d) Pursuant to the provisions of R27-7-1 et seq., the unauthorized personal use of a state vehicle may result in the suspension or revocation of state driving privileges.

• **Take-Home and Commute Use**

Take home and commute use is officially updated by January 1 each year. UDAF is in charge of approving these use standards according to IRS Publication 15B. DFO will keep records of each department's approvals but will not be responsible for who is or who is not on the take-home or commute list. If an outside audit is performed regarding these privileges, it will be imperative that each employee permitted to one of these privileges is included on the list. The list is updatable throughout the year. After DFO receives the updated list from UDAF, they will submit the list to State Finance, who will then apply any tax implementations to the employee's payroll. Each employee that is given one of these use privileges must complete the "Take-Home and Commute Use Training" found at the following link:

[Take-Home and Commute Yearly Training](#)

Take-Home and Commute recommendations

1. Require take-home or commute use privileged employees to complete the yearly online training before October 31 of each year. New hires granted these privileges should complete the training immediately after their hire date.
2. Take-Home and Commute privilege does not include personal use of the vehicle, as discussed earlier in the report. State of Utah business should only be conducted.

• **Premium and Premium Plus Gasoline Usage**

Many State of Utah departments have a problem spending taxpayer money on unneeded premium and premium plus fuels. There are not vehicles within the UDAF fleet that can adequately benefit from using these high octane fuels.

Premium and Premium Plus Gasoline Recommendations

1. UDAF is spending 5% of their total yearly fuel spend on these types of fuels, much less than the State of Utah fleet average. Nonetheless, those employees that are fueling with these high octane fuels should be made aware so that the practice can be stopped. Regular unleaded gasoline should be the only gasoline purchased by State of Utah employees.
2. A UDAF policy should be created regarding this matter.